

Message Text

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SPECIAL CHARGE: EXIMBANK

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TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

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E.O. 11652: N/A

TAGS: APUB, BR

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO BRAZIL

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$15,284,400 TO VIACAO AEREA SAO PAULO, S.A.
(VASP). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON,
D.C. FOR A.M. PAPERS, FRIDAY, JANUARY 10, 1975.

QUOTE: EXIMBANK CREDIT OF \$15,284,400 SUPPORTS NEARLY \$51
MILLION OF U.S. NEW AND USED AIRCRAFT TO BRAZIL

TO HELP FINANCE A \$50,948,000 SALE OF SIX NEW 737-200 AND ONE
USED 737-200 AIRCRAFT, SPARE PARTS AND RELATED GROUND EQUIPMENT
TO BRAZIL, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$15,284,400
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TI FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO

EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF \$30,568,800 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 60 PERCENT OF THE U.S. COSTS. THE OBLIGOR, VIACAO AEREA SAO PAULO, S.A. (VASP), OF SAO PAULO, BRAZIL, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE TOTAL U.S. COSTS OF 10 PERCENT OR \$5,094,800.

THREE OF THE NEW AIRCRAFT WILL BE PASSENGER PLANES AND THREE WILL BE CARGO AIRCRAFT. THE BOEING COMPANY OF SEATTLE, WASHINGTON, WILL MAKE DELIVERY OF TWO OF THE NEW PASSENGER AIRCRAFT IN MAY 1975, ONE PASSENGER AND TWO CARGO AIRCRAFT ARE SCHEDULED FOR DELIVERY IN NOVEMBER 1975, AND THE FINAL CARGO AIRCRAFT IN DECEMBER 1975. THE USED AIRCRAFT IS ALSO SCHEDULED FOR DELIVERY IN MAY 1975.

THE LOANS ARE TO BE REPAYED IN TWO SCHEDULES OF 20 SEMIANNUAL INSTALLMENTS EACH BEGINNING NOVEMBER 5, 1975 AND MAY 5, 1976. EXIMBANK'S DIRECT CREDIT OF \$15,284,400 WILL BE REPAYED OUT OF THE LAST 7 INSTALLMENTS OF EACH SCHEDULE WITH INTEREST AT 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.7 PERCENT TO 9.95 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY BANCO NACIONAL DE DESENVOLVIMENTO ECONOMICO ON BEHALF OF THE NATIONAL TREASURY OF BRAZIL. UNQUOTE. KISSINGER

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TAGS: APUB, BR

To: BRASILIA

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